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BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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EFFECTIVE:

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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%
CLASS I BUTTERFAT PRICE PER POUND

\$19.20 /CWT
\$2.11 /LB

EFFECTIVE FEBRUARY 1, 2005:

The minimum price to pay milk producers, under ARM 32.24.301, is \$19.20 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 21.1 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$2.11.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$12.31 /CWT

Average spray process dry milk solids
price per pound = \$0.89750
Multiplied by 8.2 x 8.2

\$7.35950

Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$1.45050
Multiplied by 4.2 x 4.2

\$6.09210

LESS a make allowance of 8.5% (\$13.4516 X .085)

Rounded to the nearest whole cent = \$12.31 /hundredweight.

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\$7.35950

+ \$6.09210
\$13.45160
- \$1.14339
\$12.30821

CLASS II BUTTERFAT PRICE PER POUND**\$1.61 /LB**

Last quote of the month for Grade AA butter					
minus a differential of \$.0895	=	\$1.45050	X .111)	=	\$0.16101
Rounded to the nearest half cent				=	\$0.161

Butterfat value per pound		
for milk at 3.5% test:	\$1.61	

Hundredweight price of milk testing 3.5%		=	\$12.31
LESS 3.5 pounds of butterfat at	\$1.61	per pound	- \$5.635
Value of 96.5 pounds of skim		=	\$6.675

**CLASS II VALUE OF
ONE POUND OF SKIM**

6.675 / 96.5 pounds)	=	\$0.06917 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$10.48 /CWT**

3.5 pounds of butterfat	\$1.31	per pound =	\$4.585
96.5 pounds of skim	\$0.06108	per pound =	\$5.895
			<u>\$10.480 /CWT</u>

CLASS III BUTTERFAT PRICE PER POUND**\$1.31 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$1.45050
LESS 10%	-	\$0.14505
		<u>\$1.30545</u>

Rounded to the nearest whole cent	=	\$1.31 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$6.10839 /CWT**

Avg. spray process dry milk solid price/lb :	\$0.89750
Multiplied by 8.2	<u>8.2</u>
	\$7.35950
LESS 17%	<u>\$1.25112</u>
	\$6.10839

Rounded to the nearest whole cent	\$6.11 per hundredweight.
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BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Monte Nick
Monte Nick, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$19.20 FOR 3.5% MILK 96.5 LBS = \$11.815			CLASS II SKIM PRICE BASED ON \$12.31 FOR 3.5% MILK 96.5 LBS = \$6.675			CLASS III SKIM PRICE BASED ON \$10.48 FOR 3.5% MILK 96.5 LBS = \$5.895		
Blend Prices			Blend Prices			Blend Prices		
Quota	Excess		Quota	Excess		Quota	Excess	
Jan-95	\$ 13.70	\$ 9.29	Jul-98	\$ 12.91	\$ 12.54	Jan-02	\$ 12.99	\$ 10.60
Feb-95	\$ 13.27	\$ 8.91	Aug-98	\$ 14.53	\$ 13.06	Feb-02	\$ 12.90	\$ 10.78
Mar-95	\$ 13.40	\$ 9.14	Sep-98	\$ 16.03	\$ 13.37	Mar-02	\$ 12.77	\$ 10.50
Apr-95	\$ 13.12	\$ 9.24	Oct-98	\$ 16.12	\$ 14.72	Apr-02	\$ 12.72	\$ 10.20
May-95	\$ 13.53	\$ 8.83	Nov-98	\$ 16.34	\$ 15.91	May-02	\$ 12.55	\$ 10.84
Jun-95	\$ 12.89	\$ 8.38	Dec-98	\$ 17.17	\$ 15.55	Jun-02	\$ 11.51	\$ 8.79
Jul-95	\$ 12.63	\$ 8.77	Jan-99	\$ 16.94	\$ 10.92	Jul-02	\$ 12.30	\$ 9.46
Aug-95	\$ 13.31	\$ 9.09	Feb-99	\$ 17.54	\$ 9.92	Aug-02	\$ 11.82	\$ 10.15
Sep-95	\$ 13.09	\$ 9.45	Mar-99	\$ 16.75	\$ 9.63	Sep-02	\$ 11.86	\$ 10.36
Oct-95	\$ 13.51	\$ 9.62	Apr-99	\$ 11.95	\$ 10.31	Oct-02	\$ 11.68	\$ 10.11
Nov-95	\$ 13.73	\$ 9.71	May-99	Missing May		Nov-02	\$ 11.60	\$ 10.66
Dec-95	\$ 14.17	\$ 10.34	Jun-99	\$ 12.86	\$ 9.51	Dec-02	\$ 12.04	\$ 10.61
Jan-96	\$ 14.77	\$ 10.75	Jul-99	\$ 12.85	\$ 11.66	Jan-03	\$ 12.85	\$ 10.61
Feb-96	\$ 14.75	\$ 9.63	Aug-99	\$ 13.25	\$ 13.11	Feb-03	\$ 11.08	\$ 9.52
Mar-96	\$ 13.39	\$ 9.94	Sep-99	\$ 14.79	\$ 12.26	Mar-03	\$ 11.31	\$ 9.65
Apr-96	\$ 13.78	\$ 9.40	Oct-99	\$ 16.32	\$ 10.20	Apr-03	\$ 11.10	\$ 10.06
May-96	\$ 14.18	\$ 9.37	Nov-99	\$ 17.00	\$ 8.10	May-03	\$ 11.17	\$ 9.80
Jun-96	\$ 13.98	\$ 9.84	Dec-99	\$ 12.68	\$ 8.18	Jun-03	\$ 10.99	\$ 9.49
Jul-96	\$ 15.42	\$ 11.48	Jan-00	\$ 11.39	\$ 8.14	Jul-03	\$ 11.23	\$ 10.00
Aug-96	\$ 16.52	\$ 13.19	Feb-00	\$ 12.33	\$ 7.98	Aug-03	\$ 11.65	\$ 12.40
Sep-96	\$ 16.14	\$ 13.37	Mar-00	\$ 12.15	\$ 8.05	Sep-03	\$ 12.58	\$ 12.67
Oct-96	\$ 16.33	\$ 12.47	Apr-00	\$ 12.18	\$ 8.03	Oct-03	\$ 14.50	\$ 14.08
Nov-96	\$ 17.19	\$ 10.54	May-00	\$ 12.35	\$ 7.79	Nov-03	\$ 14.09	\$ 12.38
Dec-96	\$ 15.41	\$ 8.09	Jun-00	\$ 12.47	\$ 7.83	Dec-03	\$ 14.60	\$ 11.22
Jan-97	\$ 13.25	\$ 11.85	Jul-00	\$ 13.11	\$ 9.21	Jan-04	\$ 14.15	\$ 10.59
Feb-97	\$ 13.01	\$ 9.83	Aug-00	\$ 13.51	\$ 8.04	Feb-04	\$ 12.75	\$ 11.64
Mar-97	\$ 13.35	\$ 9.95	Sep-00	\$ 13.38	\$ 9.53	Mar-04	\$ 13.15	\$ 12.48
Apr-97	\$ 13.84	\$ 9.88	Oct-00	\$ 13.49	\$ 8.14	Apr-04	\$ 14.23	\$ 13.94
May-97	\$ 13.79	\$ 8.11	Nov-00	\$ 13.40	\$ 10.31	May-04	\$ 14.45	\$ 13.95
Jun-97	\$ 12.37	\$ 8.09	Dec-00	\$ 12.82	\$ 9.29	Jun-04	\$ 18.35	\$ 12.97
Jul-97	\$ 12.34	\$ 8.14	Jan-01	\$ 14.01	\$ 10.23	Jul-04	\$ 19.04	\$ 10.58
Aug-97	\$ 12.41	\$ 9.59	Feb-01	\$ 13.47	\$ 9.91	Aug-04	\$ 17.27	\$ 11.19
Sep-97	\$ 12.80	\$ 10.38	Mar-01	\$ 12.84	\$ 10.47	Sep-04	\$ 14.63	\$ 11.29
Oct-97	\$ 13.76	\$ 10.50	Apr-01	\$ 14.10	\$ 11.76	Oct-04	\$ 14.24	\$ 11.17
Nov-97	\$ 14.05	\$ 11.22	May-01	\$ 14.68	\$ 12.62	Nov-04	\$ 15.26	\$ 11.49
Dec-97	\$ 14.22	\$ 10.43	Jun-01	\$ 15.78	\$ 13.09	Dec-04		
Jan-98	\$ 14.16	\$ 10.10	Jul-01	\$ 15.48	\$ 13.36	Jan-05		
Feb-98	\$ 14.38	\$ 10.11	Aug-01	\$ 16.52	\$ 13.92	Feb-05		
Mar-98	\$ 14.50	\$ 9.65	Sep-01	\$ 15.74	\$ 14.58	Mar-05		
Apr-98	\$ 14.50	\$ 9.65	Oct-01	\$ 16.74	\$ 13.29	Apr-05		
May-98	\$ 13.72	\$ 8.71	Nov-01	\$ 15.40	\$ 12.22	May-05		
Jun-98	\$ 13.37	\$ 10.65	Dec-01	\$ 14.90	\$ 10.38	Jun-05		

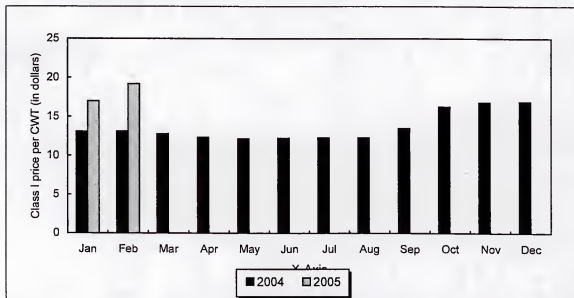
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2004 and 2005

Statistics from the Montana Milk Control Bureau

Month	2004	2005	Difference	% Change
January	\$16.39	\$16.98	\$0.59	3.60%
February	\$14.40	\$19.20	\$4.80	33.33%
March	\$14.14			
April	\$14.49			
May	\$16.19			
June	\$22.20			
July	\$23.68			
August	\$20.50			
September	\$17.17			
October	\$16.49			
November	\$17.33			
December	<u>\$16.84</u>			
Average	\$17.49	\$18.09	\$2.70	18.47%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

NOVEMBER 2004: class I = \$10.44; class II = \$0.88; Class III = \$4.09; total = \$15.41

(calculations based upon utilization percentages of butterfat & skim)